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Page 1 of 46

**TEA-21 Reauthorization**  
**Second Cycle STP/CMAQ/TE**  
**Programming Policy**  
**for**  
**FY 2005-06 and FY 2006-07**

## **Second Cycle STP/CMAQ/TE Program Programming Policies**

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## **Section I: Background**

The federal Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), which expired on September 30, 2003, authorized the use of federal funds for the Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement (CMAQ), and Transportation Enhancement Activities (TE) programs on projects across the San Francisco Bay Area between fiscal years 1998-2003. On September 24, 2003 Congress extended TEA-21 legislation for five months and set a new expiry date of February 29, 2004 to keep federal funding for transportation projects flowing. The funding levels included in the extension bill are based upon the funding levels of the FY 2004 federal budget. A second extension bill was passed on February 27, 2004 that carries forward the policies of TEA-21 until April 30, 2004. Legislative discussions on the composition of the next reauthorization bill are currently being held in Congress and Congress is hopeful about passing a new reauthorization bill before the expiration of the current extension bill.

Distributed among several programming opportunities, TEA-21 authorized the San Francisco Bay Area Region to program approximately \$370 million in Surface Transportation Program (STP) funds, \$326 million in Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds, and \$49 million in Transportation Enhancement Activities Program (TE) funds between 1998 and 2003. Approximately \$124 million was available each year over the six-year period of the act, for a total of \$745 million. All of these funds have been fully programmed.

In anticipation of a TEA-21 reauthorization bill, MTC decided to program approximately \$256 million in STP and CMAQ funds in a new programming cycle, First Cycle (2003-04 and 2004-05). See MTC Resolution Nos. 3536 and 3547 for details on First Cycle programming. The overarching goals behind First Cycle Programming are to meet continued planning needs, the needs of annual operating programs, the needs of air quality programs, and to reconcile overprogramming from TEA-21. Programming for subsequent fiscal years will be consistent with the funding commitments agreed upon through Transportation 2030 (T-2030), the update to the 2001 Regional Transportation Plan (RTP).

In December 2003, the MTC Commission reached consensus on Phase 1 level funding commitments in T-2030. Based on these decisions, MTC has the basic framework and direction to proceed with programming projects for FY 2005-06 and 2006-07.

## **Section II: Regional Six-Year TEA 21 Reauthorization Programming Plan**

In October 2002, the Bay Area Partnership and associated committees discussed the six-year plan for programming TEA-21 Reauthorization STP, CMAQ, and TE funding and agreed on a 1 • 2 • 3 programming approach over a total of three cycles. In this original proposal, First Cycle was intended to program one fiscal year of Reauthorization funding, Second Cycle would program two years, and Third Cycle would program the remaining three years of Reauthorization. Since then, developments in the T-2030 Phase 1 decisions and regional funding needs have stimulated a modification to the six-year programming plan for TEA-21 Reauthorization. Since FY 2004-05 STP/CMAQ/TE revenues are not anticipated to substantially exceed the fund estimate assumptions in First Cycle and the redirection of TE into the State Transportation Improvement Program (STIP), the six-year TEA-21 reauthorization programming plan has been modified. As a result, programming will continue to span

three cycles, but each cycle will consist of two fiscal years worth of programming. The policies set forth herein reflect a 2 • 2 • 2 programming approach to Reauthorization.

The region will continue to program to the full apportionment level rather than Obligation Authority (OA) levels, with the stipulation that obligations for projects programmed in the last year of reauthorization are subject to the availability of OA. Projects funded through First, Second, and Third Cycles are subject to the project delivery policies (MTC Resolution No. 3606) adopted by the MTC Commission in October 2003. The bulk of new programming occurs in FY 2005-06 and beyond. Programming to full apportionment benefits the region with accelerated project delivery, results in lower project costs, and delivery of projects to the public sooner, which outweigh the risks of programming to higher levels than can be obligated in a given year. We have consistently been the beneficiaries of advanced federal obligation authority. However, since the region is programming STP, CMAQ, and TE prior to the reauthorization of TEA-21, Third Cycle programming will serve to balance prior programming activities from First and Second Cycles. This will ensure that the six-year programming is in consistent with the TEA-21 Reauthorization bill.

MTC and the Bay Area Partnership developed a strategy for programming federal and state funds to ensure that a balanced, reasonable mix of high priority transportation projects is achieved at the regional level. Pursuant to that discussion, the following factors must be considered in the development of priorities and procedures for programming STP, CMAQ, and TE funds:

- The diverse nature of the Bay Area transportation system requires multi-modal investments.
- A strategic mix of various fund sources will be required to meet the divergent needs of large versus small projects, and/or differences in the financial capabilities of Partnership sponsors.
- Maintaining and sustaining the existing system through replacement and rehabilitation of its infrastructure, coupled with effective management of that system, are high regional priorities in the RTP and must be provided for.
- This policy document is subject to revision once TEA-21 Reauthorization legislation is passed, but future policies are likely to retain these essential features.
- Projects selected must meet the program criteria of the STP, CMAQ, TE guidelines developed at the State and Federal Levels.
- Per the existing Memorandum of Understanding (MOU) between MTC and SACOG, Eastern Solano County CMAQ funding will be reserved for projects in the eastern portion of that county. Most of the nine-county MTC region lies within the Bay Area Air Quality Management District's Air Basin. One exception is the Eastern portion of Solano County, which lies within the Yolo/Solano Air Quality Management District's (YSAQMD) air basin. The Sacramento Area Council of Governments (SACOG) is responsible for air quality conformity of the YSAQMD's air basin, while MTC has the planning and programming authority for Eastern Solano County. The second exception is the Northern Sonoma air basin, which is an attainment area.

### **First Cycle**

The First Cycle programming covers the minimal amount necessary to ensure a seamless transition

into TEA 21 reauthorization. Funding is programmed to projects with continuous annual funding needs and air quality management strategies, with the remaining balance used to address outstanding programming commitments arising from the OA shortfall from ISTEA and TEA 21. Due to a combination of a) OA limitations in the region, and b) annualized programming requirements for programs with operating or contractual commitments, Cycle One commits anticipated FY 2003-04 and 2004-05 STP, CMAQ, and TE revenues.

### **Second Cycle**

Second Cycle will program anticipated STP, CMAQ, and TE apportionments for FY 2005-06 and 2006-07 and any unprogrammed apportionments from FY 2004-05. The recent California Transportation Commission (CTC) decision to redirect the TE funds into the Regional Transportation Improvement Program (RTIP) changes the TE funding distribution in the region. Beginning with FY 2003-04, half of the TE funds will be programmed to projects in each County's TLC/HIP program, while the other half will be programmed to TE eligible projects at each county's discretion. All of the TE funded projects will be administered through the RTIP in addition to any other programs the projects may fall under. Please refer to the 2004 RTIP Policies and Procedures for more specific details on the TE funding agreement between the counties and MTC (Resolution No. 3608).

This second cycle includes the "on-going commitment" category of projects, as well as new funding for the identified local streets and road shortfall, transit capital shortfall, regional and county TLC/HIP, Regional Bicycle and Pedestrian, and STIP Backfill funding as confirmed through Transportation 2030 and follow-up discussions between partner agencies. The fiscal climate under which this policy is developed has sparked temporary program adjustments to respond to the lack of available funding to ongoing projects. Several agreements have been incorporated into this policy as a result of the compromises. Specifically, \$5 million from the Regional Operations, \$18 million from the TLC/HIP, and \$8 million from the Regional Bicycle and Pedestrian Program will be deferred to Third Cycle for programming. The programming capacity freed up by these deferrals will be dedicated towards backfilling existing STIP projects that are financial casualties of the recent state fiscal crisis. The Commission is expected to adopt Second Cycle programming 2004 and 2005, depending on the readiness of program categories.

### **Third Cycle**

Third Cycle will cover two years of STP, CMAQ, and TE apportionments (FY 2007-08, and FY 2008-09), and include the continued programming of the project categories outlined in the Second Cycle and resulting from T-2030. Additionally, MTC will program the deferred programming from Second Cycle. The Third Cycle will continue to follow the direction adopted in Phase 1 T-2030 and account for any necessary program adjustments from First and Second Cycle activity based on the passage of TEA-21 Reauthorization. It is anticipated that Third Cycle will be programmed by September 30, 2006.

Spillover programming from Second Cycle, due to obligation authority limitations, may need to be accommodated in FY 2007-08 of Third Cycle. Because the region is programming to full apportionment rather than to OA, there may be insufficient OA to obligate all of the projects in the final year of the reauthorization act. Note that obligations for projects programmed in the last year of Cycle Three are subject to the availability of OA. It may therefore be necessary to carry the programming of these projects into the first year of the following transportation act.

The region intends to balance apportionments and obligation authority (OA) limitations of the forthcoming TEA-21 Reauthorization bill through Third Cycle.

### **Section III: 2005 Transportation Improvement Program (TIP) and Air Quality Conformity**

The federally required Transportation Improvement Program (TIP) is a comprehensive listing of all San Francisco Bay Area transportation projects that receive federal funds, and/or subject to a federally required action, such as federal environmental clearance, and/or is regionally significant for air quality conformity or modeling purposes. All projects included in the MTC-prepared TIP must be derived from and/or consistent with the long-range transportation plan for the Bay Area, MTC's RTP. Federal regulations also require an opportunity for public comment prior to the TIP or any formal TIP amendment approvals.

Additionally, MTC evaluates the impact of the TIP on regional air quality during the biennial update of the TIP. In the Bay Area, it is the responsibility of MTC to make an air quality conformity determination for the TIP in accordance with federal Clean Air Act requirements and Environmental Protection Agency (EPA) conformity regulations. MTC must certify that, taken as a whole, the program of projects included in the TIP will not worsen air quality.

Projects approved as part of Second Cycle will be amended into the 2005 TIP. Because the air quality conformity finding is being performed on the 2005 TIP, any non-exempt projects that were not incorporated into the 2005 TIP air quality conformity finding will not be considered for funding in Second Cycle. In Eastern Solano County, non-exempt projects that were not incorporated into SACOG's 2003 TIP air quality conformity finding will not be considered for funding in Second Cycle. Specifically, for Eastern Solano County CMAQ project proposals, MTC encourages the Solano Transportation Authority to submit projects for immediate programming (prior to the adoption of the 2005 TIP) due to the possible air quality conformity issues facing the SACOG region. Future programming of non-exempt projects and access to funding is dependent upon the air quality conformity findings in the SACOG region. SACOG's air quality conformity status does not impact the ability to add or amend exempt projects in MTC's TIP.

### **Section IV: Public Involvement**

#### **Public Involvement Process**

MTC is committed to a public involvement process that is proactive and provides comprehensive information, timely public notice, full public access to key decisions, and opportunities for continuing involvement. MTC provides many methods to fulfill this commitment, as outlined in MTC Resolution No. 2648. The MTC website provides information about MTC's projects and programs, the agency's structure and governing body and upcoming public meetings and workshops. It also contains all of MTC's current planning and programming documents and publications located in the MTC-Association of Bay Area governments (ABAG) Library. The site posts agendas and packets as well as audiocasts, making it possible for interested parties to listen at their convenience to all Commission and standing committee meetings held in the MetroCenter's Lawrence D. Dahms Auditorium.

The projects proposed for MTC's STP/CMAQ/TE program must be consistent with the Regional Transportation Plan (RTP). Extensive outreach is held throughout the nine-county San Francisco Bay area to solicit comments on major plans and programs. Meetings are located and scheduled to maximize public participation (including evening meetings). MTC also conducts workshops, community forums, conferences, and other events to keep the public informed and involved in various transportation projects and plans and to elicit feedback from the public and MTC's partners. Additionally, when programming projects from the RTP, MTC publicizes all of the committee meetings and provides written materials to accompany the agenda items.

Under the STP/CMAQ/TE Program, Congestion Management Agencies (CMAs) or equivalent agencies are also responsible for project selection for some categories of funding. Hence, CMAs are required to comply with MTC's public outreach standards. Below are suggestions for CMAs to pursue in seeking suggestions and comments on proposed projects that will be submitted to MTC for inclusion in the STP/CMAQ/TE Program. Further guidance is contained in the CMA Guidelines for Public Involvement Strategy for Transportation 2030.

- Hold public meetings to adequately cover the major population centers and sub-areas within the county. These meetings should be structured to ensure the inclusion of the views and concerns of low-income and minority communities covered under Title VI of the Civil Rights Act.
- Provide for the public the key decision milestones in the process, so that interested residents can follow the process and know in advance when the CMA board will take action.
- In addition to the public meetings above, provide and publicize opportunities for affected stakeholders to comment about county projects at regularly scheduled meetings of the CMA policy board.
- Make a concerted effort to publicize meetings to a wide range of interest organizations and residents, including groups representing low-income and minority communities.

## **Title VI**

Investments made in the STP/CMAQ/TE program must be consistent with federal Title VI requirements. Title VI prohibits discrimination on the basis of race, color, income, and national origin in programs and activities receiving federal financial assistance. Public outreach to and involvement of individuals in low income and minority communities covered under Title VI of the Civil Rights Act and the Executive Order pertaining to Environmental Justice is critical to both local and regional decisions. Additionally, the CMAs must consider equitable solicitation and selection of project candidates in accordance with federal Title VI requirements.

## **Section V: Fund Estimate**

Baseline revenue assumptions for TEA-21 reauthorization legislation have not been established as of yet. First and Second Cycle Programs revenue projections are based on the 2001 RTP estimates and assumptions regarding TEA-21 Reauthorization. When Reauthorization legislation is passed, the approved funding levels and any necessary adjustments to First and Second Cycles will be reflected in Third Cycle.

Based on historical revenues and assumptions regarding TEA-21 Reauthorization, approximately \$147 million in STP, \$136 million in CMAQ (including Eastern Solano County), and \$9.0 million in TE funds is available in Second Cycle. Any unprogrammed apportionments from FY 2004-05 will be programmed as part of Second Cycle to STIP Backfill projects. In September 2003, the California Transportation Commission voted to redirect TE apportionments from the regional STP-CMAQ program to the RTIP beginning with TEA-21 Reauthorization funding. In the 2004 RTIP policies, half of the TE funds will be dedicated to the STP/CMAQ/TE program for use on the TLC/HIP program.

**Table 1: FY 2005-06 and 2006-07 Second Cycle Estimated STP, CMAQ, and TE Revenues<sup>1</sup>**

Program	Second Cycle Revenue (in thousands of dollars)
Surface Transportation Program	<b>146,900</b>
Congestion Mitigation and Air Quality Improvement Program (CMAQ) <sup>2</sup>	<b>131,300</b>
CMAQ – Eastern Solano County <sup>2</sup>	<b>4,800</b>
Transportation Enhancement Activities Program (TE) <sup>3</sup>	<b>9,000</b>
<b>TOTAL</b>	<b>292,000</b>

<sup>1</sup> Revenues based on 2001 RTP projections and assumptions about TEA-21 Reauthorization.

<sup>2</sup> Eastern Solano County CMAQ funds are listed separately and encompass four years worth of CMAQ apportionments, FY 2003-04 through FY 2006-07. The estimated annual apportionment is \$1.2 million per fiscal year in CMAQ funds.

<sup>3</sup> The TE funds represented here are the regional share (half) of the RTIP-TE that is to be dedicated to the County TLC Program.

## **Section VI: Programming Schedule**

Development of the Second Cycle Program under these procedures will be done in accordance with the schedule outlined in Appendix A of this policy. This policy was developed in collaboration with the Bay Area Partnership and associated committees. STIP Backfill projects will be programmed under the 2004 RTIP in April. The Clean Air, Regional Operations, and CMA Planning categories will be programmed with the 2005 TIP update in July. Following policy adoption by the Commission in April, MTC will conduct a call for projects beginning in May, with a program adoption anticipated by December 2004 for the local streets and road and TLC/HIP programs. The Regional Bicycle and Pedestrian and Transit Capital Shortfall Programs will be programmed at a later date and amended into the Second Cycle Program.



## **Section VII: Second Cycle Programming Policies**

### **A. General policies**

- Second Cycle projects will be programmed based on TEA-21 legislative guidelines. Once TEA-21 Reauthorization is authorized, the projects adopted as part of Second Cycle will be reviewed for consistency with the new legislation.
- The STP, CMAQ, fund estimate for Second Cycle is based on the 2001 RTP revenue projections. When reauthorizing legislation is passed on TEA-21, the fund estimate will be updated to reflect the authorized funding revenue for STP, CMAQ. Any programming in excess of actual apportionments from First and Second Cycles will be carried over into FY 2007-08.
- Projects are subject to the provisions of the Regional Project Delivery Policies (MTC Resolution No. 3606, attached).
- The Eastern Solano County CMAQ funds will be available for programming as soon as projects are identified and brought forward by the Solano Transportation Authority.
- The Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with Surface Transportation Program or Congestion Mitigation and Air Quality Improvement Program funds.
- Projects proposed must be either exempt or currently modeled in the air quality conformity finding of the 2005 TIP.
- MTC will have final program approval.
- The regional STP, CMAQ, and TE program is project specific. The STP, CMAQ, and TE funds for projects in an existing program are for those projects alone.

### **B. Eligible Project Categories**

Categories eligible for funding include the following:

1. Clean Air Program
2. Regional Operations Programs
3. Planning Activities
4. Transit Capital Shortfall
5. Local Streets and Roads Shortfall
6. Transportation for Livable Communities/ Housing Improvement Program (TLC/HIP)
7. Regional Bicycle and Pedestrian Program
8. STIP Backfill

### **C. Project Category Specific Policies**

**The Clean Air Program:** This category focuses on three specific programs. The region has confirmed its commitment towards contributing regional funds to the Spare the Air campaign. In First Cycle, two years of Regional Express Bus operations were funded through the CMAQ

program. In Second Cycle, the third year and final year of CMAQ funds that are dedicated towards the Regional Express Bus operations will be programmed in FY 2005-06. The project sponsors in these two categories will apply for funding directly through MTC.

The administration of the Eastern Solano CMAQ funds differs slightly. MTC works with the Solano Transportation Authority (STA) to program CMAQ eligible projects in the Eastern portion of Solano County. Approximately four year's worth of CMAQ funds will be available for programming to eligible CMAQ projects in Eastern Solano County in Second Cycle. A portion of these funds may be dedicated to the regionally administered programs in an amount consistent with the services provided. MTC will accept funding requests from an STA approved list of projects. Hence, projects sponsors wishing to apply for CMAQ funds in Eastern Solano will need to consult the STA first. MTC will provide a target funding amount for the STA to develop a priority list of projects to fund with the CMAQ funds allotted to that part of the region. The STA will develop their project listing in consultation the Yolo/Solano Air Quality Management District. Projects must physically lie or directly impact the Eastern Solano portion of the county and must be eligible for CMAQ funding.

**Regional Operations Programs:** The projects eligible for this funding category include TransLink®, 511 TravInfo®, Regional Rideshare, TETAP, PTAP, Arterial Signal Re-timing, Marketing, Transit Info, Incident Management, Freeway Operation Systems, and performance monitoring. These projects are administered at the regional level and are administered as operational or regional grant programs. Project sponsors in this category apply directly for funding through MTC. Five million dollars worth of programming in the Regional Operations program will be deferred to Third Cycle for programming.

**Planning Activities:** MTC continues to fund congestion management planning activities. Approximately 3% of the STP revenues are dedicated to the CMAs for planning. The planning funds are based on the estimated STP revenue assumptions adopted in the 2001 RTP. Each county CMA is guaranteed a minimum of \$240,000, an increase from the minimum threshold of \$140,000 provided during TEA 21. The CMA's are provided either the county's population share of 3% of the STP funds or \$240,000, whichever figure is higher. In addition, \$1.35 million (\$150,000 for each of the county CMAs) will be targeted for transportation land use planning coordination with MTC under the Transportation for Planning and Land Use Solutions Program (T-PLUS). The TLC planning grant program also receives funds under this category, but is administered through a separate process. The planning grants are usually awarded on an annual basis and a call for projects is typically held in the Spring. Please refer to the TLC Planning Grant Program for more details.

**Transit Capital Shortfall:** According to the findings in Phase 1 of Transportation 2030 (T-2030), the Federal Transit Administration (FTA) Formula funds and available local revenues will fund less than \$10 billion of the \$11 billion in score 16 transit capital projects during the T-2030 period – leaving a shortfall of \$1.3 billion. Through its T-2030 policies, the Commission made a commitment to dedicate regional discretionary funds, including STP funds, towards these remaining transit rehabilitation needs (for details on the specifications of Score 16 projects, please refer to the transit capital priorities process). Table 1, below, shows the T-2030 shortfall by operator.

**Table 1: Transportation 2030 Score 16 Shortfall by Operator**

	<u>AC Transit</u>	<u>BART</u>	<u>GGBHTD</u>	<u>Vallejo</u>	<u>Total</u>
\$s (In thousands)	143,386	1,073,005	36,103	43,395	1,295,889
% of Shortfall	11.1%	82.8%	2.8%	3.3%	100%

In April 2004, the Commission reserved the annualized shortfall amount to be met by STP funds, or \$54.8 million in total, to meet this transit commitment. At the time, the Commission did not stipulate how the funds would be distributed to the transit properties, other than to condition that the programming would be dependent on the FTA formula fund distribution.

Since that time, there has been agreement to apportion the transit funds in accordance with the T-2030 shortfalls, with two significant caveats. First, the amount directed to BART will be used to meet their future fleet replacement needs – see additional detail below. Second, the residual amount will be directed to those operators with a score 16 shortfall after the FY 2005-06 and FY 2006-07 FTA formula funds have been programmed, with priority given to those operators that were identified as having a T-2030 shortfall. The table below identifies the funding targets for the transit capital element.

<b>Operator</b>	<b>Funding Targets</b>	
	<b>\$</b>	<b>%</b>
BART	45,361,000	82.8%
All Other Operators with a Score 16 Shortfall Following the FY 2005-06 and FY 2006-07 FTA Programming (priority given to AC Transit, GGBHTD, and Vallejo)	9,423,000	17.2%
Total	54,784,000	100.0-%

#### *Financing the BART Fleet Replacement*

The T-2030 capital shortfall analysis revealed that BART's shortfall was driven by their fleet replacement project, which is scheduled for replacement beginning in FY 2013. To insure that funds will be available for the fleet replacement project, MTC in conjunction with BART will create a sinking fund so that the funds will be held in reserve until BART's fleet is eligible for replacement. However, because the STP funds have a three-year expiration date, the Commission will direct the STP funds to fund BART's Transbay Seismic Retrofit Program, and hold in reserve either Regional Measure 2 or BART's Measure AA general obligation bond proceeds—funds that would have otherwise been dedicated to BART's Transbay Seismic Retrofit Program—for the fleet replacement project.

It should be noted that any creative financing mechanism that uses RM2 funds will not change the amount of funding allocated to RM2 projects in the voter approved expenditure plan or the schedule for delivering those projects.

**Local Streets and Roads Shortfall:** The MTC Commission also reiterated their commitment towards alleviating the local streets and roads rehabilitation needs. Through the T-2030 process, county shortfall figures have been identified. Each county's funding target in Second Cycle, provided by MTC, is based on the annualized shortfall amount committed to in T-2030. Initial project solicitations will be conducted at the CMA level. Thereafter, each CMA will submit their approved list of funding requests to MTC for final program approval. Projects can include pavement and non-pavement elements. The local streets and road shortfall funding is intended for improving facilities on the Metropolitan Transportation System. However, the MTC Commission T-2030 policy does allow flexibility for counties to fund non-MTS projects in jurisdictions without MTS routes or those who can demonstrate there is no need on their MTS routes. The project sponsor must demonstrate a Pavement Condition Index number of 70 or greater on their MTS routes before being granted the exception to use these funds off of the MTS. First priority will be given to MTS projects within a jurisdiction. Flexibility for funding projects off of the MTS will be evaluated on a case-by-case basis by the various county CMAs. Each CMA may apply additional program criteria, as long as the modifications are consistent with the Second Cycle Programming Policies. See Appendix B for county funding targets.

**TLC/HIP:** This is a grant program that is administered through a separate call for projects and program guidelines and criteria. Overall the Transportation for Livable Communities/ Housing Improvement Program (TLC/HIP) must meet the criteria of the STP/CMAQ/TE program. However, the program is very specific and customized program guidance has been developed (For more details, please refer to Resolution No. 3618). While the project selection process is administered separately from Second Cycle, the schedule for the upcoming TLC/HIP program closely mirrors the Second Cycle schedule. The projects selected to receive TLC/HIP grants will be incorporated into the Second Cycle Program and TIP Amendment. Refer to MTC's website for additional application and TLC/HIP guidance information. The call for projects will be held in May of 2004, with a proposed project list anticipated by Fall 2004.

MTC reserves \$27 million annually in STP, CMAQ, and TE funds for this program, for a total of \$54 million in Second Cycle. In recognition of the economic situation the region currently faces, \$36 million will be programmed in Second Cycle, with \$18 million deferred to Third Cycle. Nine million of the \$36 million in Second Cycle programming will be programmed as RTIP-TE funds as part of the County TLC program in the RTIP. The programming details for the County TLC RTIP-TE funds will be developed with the guidelines for the County TLC Program. This programming action will ensure compliance with Transportation Control Measure C, which requires that MTC commit \$27 million dollars to the TLC program by 2006.

**Regional Bicycle and Pedestrian:** This is a grant program, funded at \$8 million annually and is administered as a separate program by MTC in cooperation with the CMAs. Overall, this program must meet the framework of the STP/CMAQ/TE program. This is a newly introduced program in the STP/CMAQ/TE program, adopted through the T-2030 Phase 1 decisions. The program is designed to fund regionally significant bicycle and pedestrian projects. Geographic equity will be ensured over time, with each county receiving a minimum of 75% of their population share in any given grant cycle. The region will select projects for the remaining 25 %. CMAs select projects for the 75% and submit a prioritized project list for the 25% share to the region. From the prioritized list of projects from each county, the region will select a final set of

projects to be awarded the 25% funding. Over a 12-year programming period, counties will receive 100% of their county population share.

A CMAQ crediting option is available to counties with existing sales tax measures that commit a minimum of 5% of the sales tax measure funds to bicycle and pedestrian projects. Alameda and San Francisco County are the two counties meeting this threshold and are eligible for exercising the crediting option. The crediting option allows these counties to receive a CMAQ credit (of up to 60% of their 75% population-share funding distribution in the Regional Bicycle and Pedestrian Program) for county sales tax measure funds dedicated to regional bicycle and pedestrian projects. The CMAQ credit can be used on any CMAQ eligible project in the county.

This program will be funded at \$32 million between fiscal years (FY) 2005-06 and 2008-09. A single call for projects for the entire \$32 million is anticipated in late 2004, of which \$8 million in selected projects will be amended into the 2005 TIP (over FY 2005-06 and 2006-07). Because the 2005 TIP does not extend beyond FY 2006-07, the remaining \$24 million in projects that are ultimately selected in the Regional Bicycle and Pedestrian Program will be programmed in the 2007 TIP.

**STIP Backfill:** In consultation with the Partnership and individual project sponsors, MTC has deferred \$5 million from the Regional Operations, \$18 million from TLC/HIP, and \$8 million from the Regional Bicycle and Pedestrian program in STP/CMAQ/TE funding. The deferred funds are being programmed to ready-to-go existing STIP projects that do not have sufficient funding due to the state's fiscal crisis. The repayment of the displaced programmatic funding in Second Cycle will be made up for in the Third Cycle of federal programming. Any remaining unprogrammed apportionments from FY 2004-05 will also be programmed to projects in this category.

Staff developed a number of Guiding Principles in making its final recommendation. High priority projects were deemed to be safety-related, necessary to meet air quality commitments, and critical to the rehabilitation of our existing system. As well, there are a number of high profile STIP projects that are relying on future Traffic Congestion Relief Program (TCRP) allocations to make them whole, with the TCRP funds completing complex funding packages for these projects. The \$62 million made available will be committed to backfilling the STIP projects. The STP/CMAQ funding for STIP Backfill is being programmed to specific STIP projects in conjunction with the 2004 Regional Transportation Improvement Program (RTIP) Adoption (MTC Resolution No. 3612).

**Table 2: Specific Program Policies Summary**

<b>PROGRAM</b>	<b>Eligible Projects</b>	<b>Level of Project Solicitation (How to Apply for funding)</b>	<b>Timing of Project Solicitations/ Programming</b>	<b>AVAILABLE FUNDING</b>
Clean Air	This program category aims to support projects and programs that reduce air pollutants. Second Cycle has identified Spare the Air projects, Regional Express Bus Operations, and CMAQ projects in Eastern Solano County as eligible projects.	<p>§ E. Solano CMAQ Projects – CMA will solicit projects and subsequently submit an approved list of projects to MTC for final approval.</p> <p>§ Regional Express Bus and Spare the Air will apply directly through MTC</p>	May 2004/ July 2004	\$9 million
Regional Operations	This program category aims to manage the regional transportation system to improve the transportation system for users through traffic management, traveler information efforts, and transit service improvements.	Directly through MTC's Call for Projects	May 2004/ July 2004	\$56 million
CMA Planning Funds	STP Planning, T-PLUS, and TLC/HIP Planning Grants.	<p>§ MTC staff will submit the planning grant funds directly</p> <p>§ TLC Planning Grants – Through the TLC/HIP Program Call for Projects</p>	<p>CMA Planning Funds – May 2004/ July 2004</p> <p>TLC Planning Grants – TBA</p>	\$9 million
Transit Capital Shortfall	Transit capital rehabilitation projects, score 16 and above.	N/A	TBA	\$55 million
Local Streets and Roads Shortfall	Local roadway rehabilitation projects on the Metropolitan Transportation System (MTS). Pavement and Non-pavement elements are both eligible for funding.	CMAs will solicit projects and subsequently submit an approved list of projects to MTC for final approval.	May 2004/ December 2004	\$57 million
TLC/HIP	TLC/HIP projects	Through the TLC/HIP Program	May 2004/ December 2004	\$36 million

*[continued on next page]*

**Table 2: Specific Program Policies Summary (Continued)**

<b>PROGRAM</b>	<b>Eligible Projects</b>	<b>Level of Project Solicitation (How to Apply for funding)</b>	<b>Timing of Project Solicitations/ Programming</b>	<b>AVAILABLE FUNDING</b>
Regional Bicycle and Pedestrian	The MTC Commission approved a new program category under T-2030 decisions to create a program dedicated specifically to funding bicycle and pedestrian programs.	Through the Regional Bicycle and Pedestrian Program	TBA	\$8 million
STIP Backfill	Ready-to-go existing STIP projects (list of projects has been determined through collaboration with CMAs)	Directly through MTC's Call for RTIP Projects	April 2004	\$62 million
Total Second Cycle Program:				\$292 million

## **D. Project Eligibility**

- 1. Eligible Projects.** STP has a wide range of projects that are eligible for consideration in the TIP. Eligible projects include, federal-aid highway and bridge improvements (construction, reconstruction, rehabilitation, resurfacing, restoration, and operational), mitigation related to an STP project, public transit capital improvements, pedestrian, and bicycle facilities, and transportation system management, transportation demand management, transportation control measures, surface transportation planning activities, and safety. More detailed eligibility requirements can be found in Section 133 of Title 23 of the United States Code.

CMAQ funding applies to new or expanded transportation projects, programs, and operations that help reduce emissions. Eligible project categories that meet this basic criteria include: Transportation activities in approved State Implementation Plan (SIP), Transportation Control Measures (TCMs), public-private partnerships, alternative fuels, traffic flow improvements, transit projects (facilities, vehicles, operating assistance up to three years, and fare subsidies), bicycle and pedestrian facilities and programs, travel demand management, outreach and rideshare activities, telecommuting programs, Fare subsidy programs, intermodal freight, planning and project development activities, Inspection and maintenance programs, magnetic levitation transportation technology deployment program, and experimental pilot projects. For more detailed guidance see the CMAQ Program Guidance (FHWA, April 1999).

- 2. RTP Consistency.** Projects included in the Second Cycle STP, CMAQ, and TE Program must be consistent with the adopted Regional Transportation Plan (RTP), which federal law requires be consistent with federal planning and programming requirements. Each project to be included in the Second Cycle Program must identify its relationship with meeting the goals and objectives of the RTP, and where applicable, the RTP ID number and/or RTP travel corridor and whether the project is to be credited against the county's transit capital shortfall target.
- 3. CMP Consistency.** Local projects must be consistent with the County Congestion Management Plan (CMP), or the adopted Capital Improvement Program (CIP) for counties that have opted out of the CMP requirement, prior to inclusion in the Second Cycle Program.
- 4. Accommodations for Bicyclists, Pedestrians and Persons with Disabilities.** Federal, state and regional policies and directives emphasize the accommodation of bicyclists, pedestrians, and persons with disabilities when designing transportation facilities. Of particular note is Caltrans Deputy Directive 64 which stipulates: "pedestrians, bicyclists and persons with disabilities must be considered in all programming, planning, maintenance, construction, operations, and project development activities and products." MTC's Regional Bicycle Plan, adopted as a component of the 2001 RTP, requires that "all regionally funded projects consider enhancement of bicycle transportation consistent with Deputy Directive 64".

In selecting projects, the CMAs and project sponsors must consider federal, state and regional policies and directives regarding non-motorized travel, including, but limited to, the following:



### **Federal Policy Mandates**

TEA-21 states that, "Bicycle transportation facilities and pedestrian walkways shall be considered, where appropriate, in conjunction with all new construction and reconstruction of transportation projects, except where bicycle and pedestrian use are not permitted." (Section 1202)

The Federal Highways Administration Program Guidance on bicycle and pedestrian issues makes a number of clear statements of intent, and provides a best practices concept as outlined in the US DOT Policy Statement on Integrating Bicycling and Walking into Transportation Infrastructure." (<http://www.fhwa.dot.gov/environment/bikeped/Design.htm>)

### **State Policy Mandates**

California Government Code Section 65089(b)(1)(B)(5) requires that the design, construction and implementation of roadway projects proposed for funding in the STP/CMAQ/TE Program, must consider maintaining bicycle access and safety at a level comparable to that which existed prior to the improvement or alteration.

Caltrans Deputy Directive 64 (<http://www.dot.ca.gov/hq/tpp/offices/bike/DD64.pdf>), states: "the Department fully considers the needs of non-motorized travelers (including pedestrians, bicyclists, and persons with disabilities) in all programming, planning, maintenance, construction, operations, and project development activities and products. This includes incorporation of the best available standards in all of the Department's practices. The Department adopts the best practices concept in the US DOT Policy Statement on Integrating Bicycling and Walking into Transportation Infrastructure."

### **Regional Policy Mandates**

All projects programmed in the STP/CMAQ/TE Program must consider the impact to bicycle transportation, pedestrians and persons with disabilities. Furthermore, it is encouraged that all bicycle projects programmed in the STP/CMAQ/TE Program support the Regional Bicycle Network. Guidance on considering bicycle transportation can be found in MTC's 2001 Regional Bicycle Plan (a component of the 2001 RTP) and Caltrans Deputy Directive 64. MTC's Regional Bicycle Plan, containing federal, state and regional policies for accommodating bicycles and non-motorized travel, is available on MTC's Web site at: <http://www.mtc.ca.gov/projects/rtp/bicycle.htm>

- 5. Fully Funded Projects.** The Project Must Be Fully Funded. Section 134 (h) of Title 23 of United States Code states that the regional program "shall include a project, or an identified phase of a project, only if full funding can reasonably be anticipated to be available for the project within the time period contemplated for completion of the project". All local projects included in the Second Cycle Program must be accompanied by an authorizing resolution stating the sponsor's commitment to complete the project as scoped with the funds requested. A model resolution including the information required is outlined in Sample Resolution - Appendix B of this guidance.

MTC will program a project component only if it finds that the component itself is fully funded, either from STP, CMAQ, or TEA funds or from other committed funds. MTC will regard funds other than STP, CMAQ, and TE as committed when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal discretionary funds, the commitment may be by federal approval of a full funding grant agreement or other federal approval. Any cost increases are the responsibility of the project sponsor.

- 6. Readiness Standards.** Project Phases Must Be Ready in the Year Proposed. Funds designated for each project component will only be available for obligation in the fiscal year in which the funds are programmed in the TIP. Once obligated, the sponsor will have five years, including the fiscal year in which the funds were obligated, to expend funds. For construction or equipment purchase projects (not applicable to FTA transfers), the project sponsor will have one year to award a contract and three years to expend funds. It is therefore very important that projects be ready to proceed in the year programmed.

#### **E. Local Match**

Projects funded with STP or CMAQ funding requires a non-federal local match. Based on California's share of the nation's federal lands, the local match for STP and CMAQ is 11.47% of the total project cost. The Federal Highway Administration (FHWA) will reimburse up to 88.53% of the total project cost. Project sponsors are required to provide the non-federal match, which is subject to change. The local match for TE projects will be provided by the STIP.

#### **F. Project Application Process and Criteria**

**Application Components:** Project sponsors must submit a completed project application for each project proposed for funding in Second Cycle Program. MTC is migrating towards a universal online application for most of the funding programs administered by MTC.

Applications for Second Cycle STP and CMAQ projects will be accepted through MTC's website (See Appendix C for details). In situations where a project sponsor cannot access MTC's online application, please contact MTC staff .

Applicants should apply for the appropriate fund source to the best of their knowledge. Where applicable and eligible, MTC will assign CMAQ funds to projects. For projects applying for CMAQ funds, an emissions benefit analysis will need to be submitted. CMAQ Emissions Benefit Analysis, available at: <http://www.arb.ca.gov/planning/tsaq/eval/eval.htm>. After the projects have been approved, applicants will also need to provide a resolution of local support and opinion of legal counsel (See Appendices D-F). MTC has the authority to deprogram projects that do not have a Resolution of Local Support and an Opinion of Legal Counsel on file.

Application Materials

		Notes:
1	STP and CMAQ Application	Accessible at: <a href="http://apps06.mtc.ca.gov/webfms/index.jsp">http://apps06.mtc.ca.gov/webfms/index.jsp</a> .
2	CMAQ Emissions Analysis	Only applies to CMAQ eligible projects
3	Resolution of local support *	After MTC develops a draft list of projects, sponsors should begin developing their Resolution of Local Support.
4	Opinion of legal counsel *	After MTC develops a draft list of projects, sponsors should begin developing their Opinion of Legal Counsel.

\* NOTE: Project sponsors have the option of consolidating the ‘Opinion of Legal Counsel’ within the Resolution of Local Support, by incorporating the statements into the Resolution of Local Support.

### G. Project Delivery

The Regional Project Delivery Policy (MTC Resolution No. 3606) establishes deadlines for funding in the Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) Program to ensure timely project delivery against state and federal funding deadlines. This resolution establishes a standard policy for enforcing project funding deadlines and project substitutions for these funds during the Transportation Equity Act for the Twenty-First Century (TEA-21) Reauthorization. Projects programmed in Second Cycle of TEA-21 Reauthorization are subject to the provisions of MTC Resolution No. 3606 (Attached).

The regional STP and CMAQ programs are project specific. Projects are chosen for the program based on eligibility, project merit, and deliverability within the established deadlines. The programmed STP and CMAQ funds are for those projects alone. It is the responsibility of the implementing agency at the time of programming, to ensure the regional deadlines and provisions of the regional project delivery policy can be met.

MTC staff will actively monitor and report the obligation status of projects to the Finance Working Group (FWG) of the Bay Area Partnership. The FWG will monitor project delivery issues as they arise and make recommendations to the Partnership Technical Advisory Committee (PTAC) as necessary.

STP, CMAQ, and TE funds are programmed in the fiscal year the project is to be obligated by FHWA or transferred to FTA. Projects selected in Second Cycle are expected to be obligated in FY 2003-04 through 2007-08. A project sponsor may not be reimbursed for expenditures made prior to the authorization to proceed. Therefore, the project sponsor must not incur costs prior to an authorization to proceed from FHWA (or authorization for Advance Construction (AC)), or a transfer of funds to FTA (or pre-award authority). The following are highlighted milestones.

Obligation deadlines, project substitutions and redirection of project savings will continue to be governed by the MTC Regional Project Delivery Policy which enforces fund obligation deadlines and project substitution for STP, CMAQ, and TE funds (MTC Resolution No. 3606).

**Field Review for Federally Funded Local Projects.** By requesting funding for a federally-funded project in the TIP, the project sponsor agrees to contact Caltrans and schedule and complete a project field review within 6-months of MTC's approval of the project in the TIP. This requirement only applies to projects receiving federal funds subject to FHWA local federal-aid field review requirements. It does not apply to projects for which a field review would not be applicable (such as FTA transfers, regional customer service projects and planning activities).

**Environmental Documentation Submittals.** Implementing agencies are required to submit a complete environmental package to Caltrans for all projects (except those determined *Programmatic Categorical Exemption* as determined by Caltrans at the field review), twelve months prior to the obligation deadline for right of way or construction funds. If the environmental process, as determined at the field review, will take longer than 12 months before obligation, the implementing agency is responsible to deliver the complete environmental submittal in a timely manner.

**Obligation/Submittal Deadlines.** The implementing agency is required to deliver a complete and valid funding obligation / FTA Transfer request package to Caltrans Local Assistance by April 1 of the year the funds are listed in the TIP. Projects with complete packages delivered by April 1 of the programmed year will have first priority for available OA. If the project is delivered after April 1 of the programmed year, the funds will not be the highest priority for obligation in the event of Obligation Authority (OA) limitations, and will compete with projects advanced from future years for limited OA. Fund obligation/FTA transfer requests submitted after the April 1 deadline will be viewed as subject to reprogramming.

Within the formula-based programs, such as county guaranteed funding returned to counties based on a population share the Congestion Management Agencies (CMAs) may adjust programming up until April 1 of the programmed year, swapping funds to a ready project in order to utilize all of the programming capacity, subject to available OA. The substituted project(s) must still obligate the funds within the original funding deadline.

**Encumbrance/Liquidation/Project Close-Out Deadlines.** STP and CMAQ funds must be encumbered by an approved State funding agreement within one state fiscal year after the fiscal year of obligation. Furthermore, the funds must be fully liquidated (expended, invoiced and reimbursed), within four state fiscal years after the fiscal year in which the funds were obligated, and the project must be accepted and closed out within five state fiscal years after the fiscal year in which the funds were obligated.

For funding programmed through regional competitive programs, such as the regional Transportation for Livable Communities (TLC) program, or for regional customer service projects, such as TravInfo®, or for planning activities, such as the CMA planning activities, the Commission has discretion to redirect funds from delayed or failed projects.

## **H. Project Amendments**

The implementing agency or MTC may determine that circumstances may justify changes to the STP and CMAQ programming. These changes, or amendments to these regional programs, are not routine. All proposed changes will be reviewed by MTC staff before any formal actions on

program amendments are considered by the Commission. All changes must follow MTC policies on the Public Involvement Process and Federal Air Quality Procedures and Conformity Protocol. Changes must be consistent with the Regional Transportation Plan (RTP), must not adversely affect the expeditious implementation of Transportation Control Measures (TCMs), must not negatively impact the deliverability of other projects in the regional programs, and must not affect the conformity finding in the Transportation Improvement Program (TIP).



## Appendix A: Schedule of Activities

<b>- STP, CMAQ, and TE - TEA 21 Reauthorization: Second-Cycle Programming Schedule of Activities 2004</b>			
Date	Local Streets and Roads Shortfall	TLC/HIP Program Cycle 1	Regional Bicycle and Pedestrian & Transit Capital Shortfall Programs
January – March 2004	Development of policies with Partnership Board and Advisory Council		
April 9, 2004		<b>POC</b> review and recommendation of Draft TLC/HIP Program Guidelines	
April 14, 2004	<b>PAC</b> review and recommendation of Draft 2 <sup>nd</sup> Cycle Program Guidelines		
April 28, 2004	Commission adoption of 2 <sup>nd</sup> Cycle Program Guidelines	Commission adoption of TLC/HIP Program Guidelines	Commission adoption of Bicycle and Pedestrian Program Policies
May 1, 2004	Program Development/ Issue Call for Projects	Issue Call for Projects	Development of the Bicycle and Pedestrian Program. A call for projects is anticipated in Fall 2004. More details will follow as developments progress for both the Regional Bicycle and Pedestrian Program and the Transit Capital Shortfall Program.
June 31, 2004		End Call for Projects (12 weeks)	
July 2004		Project Screening Executive Staff Review of Draft TLC/HIP Program	
August - September 2004	Aug. 31 - End Call for Projects (4 months)		
September 2004	Presentation of Program to Partnership Technical Advisory Committee		
October 6, 2004	PAC Mailing of Draft 2 <sup>nd</sup> Cycle STP/CMAQ Program (including TLC/HIP Program), and TIP Amendment Project Lists		
October 13, 2004	PAC Review and authorization to release Draft 2 <sup>nd</sup> Cycle STP/CMAQ Program and TIP Amendment and begin the public comment period		
October 18, 2004	Release Draft Programs for Public Comment/ Begin Public Comment Period		
November 10, 2004	PAC conducts public hearing review and recommendation of Project Lists		
November 19, 2004	End Public Comment Period		
December 8, 2004	PAC review and recommendation of Draft 2 <sup>nd</sup> Cycle STP/CMAQ, and TIP Amendment Program		
December 22, 2004	Commission approval of 2 <sup>nd</sup> Cycle STP/CMAQ, and TIP Amendment Program		
January/ February 2005	Caltrans, FHWA, and FTA approval of 2005 TIP Amendment		

## Appendix B: Funding Targets for CMA Solicitation Programs

### Eastern Solano CMAQ:

The Solano Transportation Authority, in consultation with the Yolo-Solano Air District may solicit CMAQ projects for the Eastern part of Solano County in the amount listed.

County	Total Second Cycle Funding Target
Eastern Solano	\$ 4,800,000

**Local Streets and Roads Shortfall:** Each County's local streets and roads shortfall funding target in Second Cycle is based on the MTS shortfall needs calculated through T-2030. The annual need is based on 1/25<sup>th</sup> of the RTP Local Streets and Roads shortfall need. The following is the funding breakdown by county.

Table X: Local Streets and Roads Funding Targets			
County	MTS Shortfall Need (% Share)		Total Second Cycle Funding Targets (rounded up to nearest thousand)
Alameda	10%		\$ 5,728,000
Contra Costa	11%		\$ 6,135,000
Marin	6%		\$ 3,380,000
Napa	6%		\$ 3,376,000
San Francisco	9%		\$ 5,346,000
San Mateo	7%		\$ 3,738,000
Santa Clara	28%		\$ 16,074,000
Solano	3%		\$ 1,887,000
Sonoma	20%		\$ 11,652,000
Total	100%		\$ 57,316,000

\* Amounts are approximate and funding is subject to availability. Some funds may be in FY 2007-08.



## Appendix C: Second Cycle Application General Guidelines

The Universal Application is a project application system that allows project sponsors and transit agencies to propose new projects to MTC, propose amendments to existing projects, view submitted applications, and resume editing of In-Process applications. The application is accessible at <http://apps06.mtc.ca.gov/webfms/index.jsp>. Please Contact Raymond Odunlami at 510-464-7717 for any technical problems with WebFMS. The following pages contain sample screen shots and instructions for the online application.

### **Setting up a Profile**

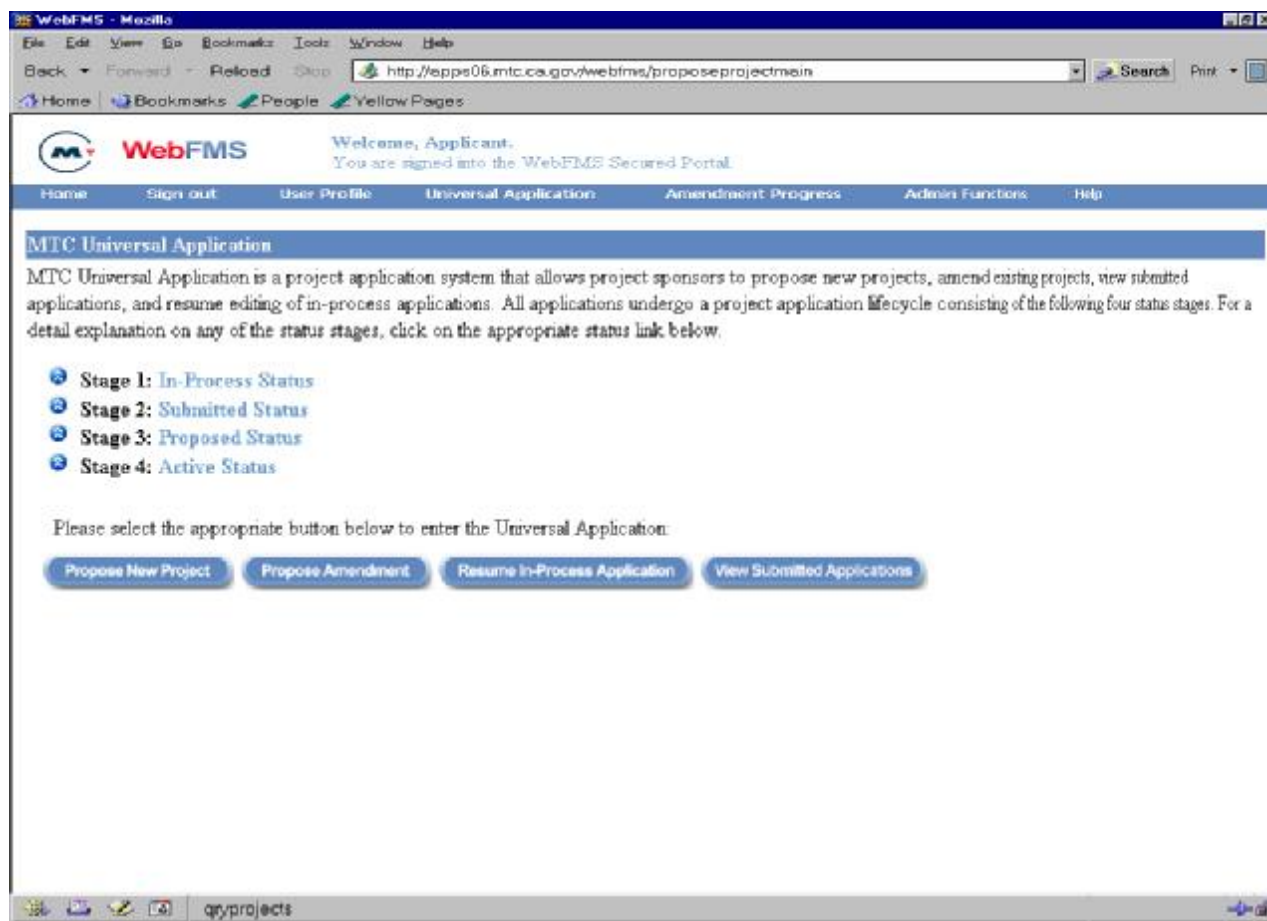
Before an applicant may submit an application, a user profile must be created, confirmed, and approved by the WebFMS Fund Administrator. When entering the homepage of the WebFMS system, click on the “Sign In” tab. A link that will enable you to begin the process of setting up a profile will appear. Your profile should be set up in one working day of your submittal. After your profile has been set up, you will be able to proceed with the application submittal.

Note that if you are not currently signed onto the WebFMS Secure Portal, you will not see the Universal Application link. This link is only provided to transit operators and agencies to submit new project and project amendment applications.

### **Universal Application**

#### **PRE-STEP: Entering the Application Portal**

After signing in, you will notice a “Universal Application” tab will appear in the blue bar at the top of the page. Click on the “Universal Application” tab. The Universal Application Main Menu presents the user with several options (shown below). Since the most common function will be to propose a new project, the instructions herein will reflect a new project application.



Click this button to begin an application for a new project.

**Propose New Project**

Click this button to begin an application for an amendment to an existing transportation project.

**Propose Amendment**

Click this button to resume an In-Process application. Users who have saved their application but have not submitted the application should click this button. Also applications that are declined would be found here.

**Resume In-Process Application**

Click this button to view all submitted applications. Once applications have been submitted, users cannot make any more changes to the application, unless the application is later declined.

**View Submitted Applications**

## STEP 1: General Project Information

The screenshot shows a Mozilla browser window titled "WebFMS - Universal Application - Mozilla". The address bar displays the URL: `http://apps06.mtc.ca.gov/webfms/uaentry?dest=newproject`. The browser's menu bar includes File, Edit, View, Go, Bookmarks, Tools, Window, and Help. The status bar at the bottom shows "Done".

The main content area features the "WebFMS - Universal Application" logo and a welcome message: "Welcome, Applicant. You are signed into the WebFMS Secured Portal." Below this is a navigation bar with eight steps: Step 1 (General Information), Step 2 (Description), Step 3 (Location), Step 4 (Funding), Step 5 (Delivery Milestones), Step 6 (Screening Criteria), Step 7 (Sponsor Information), and Final Step (Review). The "General Information" step is currently selected.

The "Project General Information - Step 1" section contains the following form fields:

- \*\*Project Title** (Not to exceed 50 characters): A text input field.
- \*County**: A dropdown menu.
- \*Sponsor**: A dropdown menu.
- \*Implementing Agency**: A dropdown menu.

Below the form fields, there are two red asterisked notes:

- \*\*** These fields must be inputted before navigating to another step.
- \*** These fields must be inputted before the application can be submitted.

At the bottom of the form, there are four buttons: "Next", "Save", "Submit", and "Cancel".

On the right side of the form, there is a "Glossary" section with an "Example" table:

Example
<b>Project Title:</b> SR 29 Rio Del Mar Intermodal Station
<b>County:</b> Napa
<b>Sponsor:</b> Amer Canyon
<b>Implementing Agency :</b> Amer Canyon

## STEP 2: Description

WebFMS - Universal Application - Mozilla

File Edit View Go Bookmarks Tools Window Help

Back Forward Reload Stop <http://apps06.mtc.ca.gov/webfms/ua/uaprojectdescription?dest=uaprojectdescriptionform> Search Print

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**WebFMS - Universal Application** Welcome, Applicant.  
You are signed into the WebFMS Secured Portal.

Step 1 General Information	Step 2 Description	Step 3 Location	Step 4 Funding	Step 5 Delivery Milestones	Step 6 Screening Criteria	Step 7 Sponsor Information	Final Step Review
-------------------------------	-----------------------	--------------------	-------------------	-------------------------------	------------------------------	-------------------------------	----------------------

**Project Description - Step 2** Glossary Application Assistant Contact Us

**Example**

**Mode:** Transit  
**Type:** Mass Transit - Buildings & Oth  
**Purpose:** Expansion  
**Project Description:** American Canyon: Southwest corner of SR29 & Rio del Mar; Construct intermodal station including parking for 30 vehicles, bus transfer with a covered stop, bike racks & lockers.  
**Expanded Project Description:** City of American Canyon: Southwest corner of SR29 & Rio del Mar; Construct intermodal station including new parking spaces for 30 vehicles, bus transfer lanes to accommodate up to 25 buses, covered stops for passengers, and 50 bike racks and lockers.  
**Transportation Problem to be addressed:** Provide passenger amenities to encourage safe and comfortable transit use thereby increasing transit ridership.

\* These fields must be inputted before the application can be submitted.

Previous Next Save Submit Cancel

Done

### STEP 3: Location Information

WebFMS - Universal Application - Mozilla

Back Forward Reload Stop <http://apps06.mtc.ca.gov/webfms/ua/uaprojectlocation?dest=uaprojectlocationform> Search Print

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**WebFMS - Universal Application** Welcome, Applicant.  
You are signed into the WebFMS Secured Portal.

Step 1 General Information	Step 2 Description	Step 3 Location	Step 4 Funding	Step 5 Delivery Milestones	Step 6 Screening Criteria	Step 7 Sponsor Information	Final Step Review
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**Project Location - Step 3** Glossary Application Assistant Contact Us

State Hwy Route:

Post Miles: From:  (Miles) To:  (Miles)

Post KM: From:  (KM) To:  (KM)

Map:  Browse...

(Please attach a map file or mail a copy of the map of the project to MTC. Acceptable file formats are jpg, gif, png, pdf, doc)

Area:  Non-Urbanized Area

\*State Assembly Districts:

<input type="checkbox"/> 1	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 11	<input type="checkbox"/> 12
<input type="checkbox"/> 13	<input type="checkbox"/> 14	<input type="checkbox"/> 15	<input type="checkbox"/> 16	<input type="checkbox"/> 18	<input type="checkbox"/> 19
<input type="checkbox"/> 20	<input type="checkbox"/> 21	<input type="checkbox"/> 22	<input type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 28

\*State Senate Districts:

<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9
<input type="checkbox"/> 10	<input type="checkbox"/> 11	<input type="checkbox"/> 13	<input type="checkbox"/> 15		

\*Congressional Districts:

<input type="checkbox"/> 1	<input type="checkbox"/> 3	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9
<input type="checkbox"/> 10	<input type="checkbox"/> 11	<input type="checkbox"/> 12	<input type="checkbox"/> 13	<input type="checkbox"/> 14	<input type="checkbox"/> 15
<input type="checkbox"/> 16					

\* These fields must be inputted before the application can be submitted.

Previous Next Save Submit Cancel

Example  
Route: 880  
Map: vtaproiname.gif



## STEP 4: Funding Information

**Project Phases:** Applicants must separate the projects and submit the funding according to project in the following four components:

1. Environmental Document and Preliminary Engineering (EDPE)
2. Final Design, Plans, Specifications, and Estimates (PS&E)
3. Acquisition of right-of-way (ROW), and right of way related activities
4. Construction, construction management and engineering, including surveys and inspections, equipment acquisition, and purchase of rolling stock. (CON)

**Project Costs:** Funding amounts for any component shall be rounded to the nearest \$1,000.

**Fiscal Years of Programming:** The Second Cycle Program covers a two-year period, FY 2005-06 and FY 2006-07.

The screenshot shows a web browser window titled "WebFMS - Universal Application - Mozilla". The address bar shows "http://apps06.mtc.ca.gov/webfms/ua/step4projectfunding". The page has a navigation bar with steps 1 through 7 and a "Final Step Review" link. The current step is "Step 4: Funding". Below the navigation bar, there is a "Project Funding - Step 4" section with a "Glossary" and "Application Assistant" link. The main form has fields for Fund Source, Phase, Year, Amount, Carryover to Year, County, UA, PPNO, and EANO. Below the form are buttons for Previous, Next, Save, Submit, Cancel, Add New Fund Line, and Delete. A note states: "\* These fields must be inputted before the application can be submitted". At the bottom, there is a "Phase Definitions" table.

Phase	Milestone Category	Milestone Sub-Category
CON	Construction (Capital, and Default for Transit Projects that do not fit any other category)	General
CON-CT	Construction/Caltrans Support	Caltrans Support
ENV	Environmental permits and studies	Planning and studies
PSE	Plans, specs, estimates/Design engineering	(Final design and engineering leading to construction)
ROW	Right-of-Way	ROW General
ROW-CT	Right-of-way/Caltrans Support	Caltrans Support

## STEP 5: Delivery Milestones

WebFMS - Universal Application - Mozilla

File Edit View Go Bookmarks Tools Window Help

Back Forward Reload Stop <http://apps06.mtc.ca.gov/webfms/ua/uaprojectmilestones?dest=uaprojectmilestonesform> Search Print

Home Bookmarks People Yellow Pages

**WebFMS - Universal Application** Welcome, Applicant.  
You are signed into the WebFMS Secured Portal.

Step 1 General Information	Step 2 Description	Step 3 Location	Step 4 Funding	Step 5 Delivery Milestones	Step 6 Screening Criteria	Step 7 Sponsor Information	Final Step Review
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Project Milestones - Step 5 [Glossary](#) [Application Assistant](#) [Contact Us](#)

	Month	Year
*Begin Environmental Studies:	<input type="text"/>	<input type="text"/>
*End Environmental Studies:	<input type="text"/>	<input type="text"/>
*Begin Design Engineering:	<input type="text"/>	<input type="text"/>
*End Plans, Specs, and Estimates:	<input type="text"/>	<input type="text"/>
*Begin R/W Certification:	<input type="text"/>	<input type="text"/>
*Advertise Construction (Ready to list):	<input type="text"/>	<input type="text"/>
*Begin Construction (Award):	<input type="text"/>	<input type="text"/>
*Project Completion:	<input type="text"/>	<input type="text"/>

\* These fields must be inputted before the application can be submitted.

[Previous](#) [Next](#) [Save](#) [Submit](#) [Cancel](#)

## STEP 6: Screening Criteria

WebFMS - Universal Application - Mozilla

File Edit View Go Bookmarks Tools Window Help

Back Forward Reload Stop <http://apps06.mtc.ca.gov/webfms/ua/uaprojectscreening?dest=uaprojectscreeningform> Search Print

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**WebFMS - Universal Application** Welcome, Applicant.  
You are signed into the WebFMS Secured Portal.

Step 1 General Information	Step 2 Description	Step 3 Location	Step 4 Funding	Step 5 Delivery Milestones	Step 6 Screening Criteria	Step 7 Sponsor Information	Final Step Review
Project Screening - Step 6					Glossary	Application Assistant	Contact Us

\* Have the needs of non-motorized travelers been considered in the design of the project and is the project consistent with Caltrans Deputy Directive 64? [Click here for more information on Caltrans Deputy Directive 64](#)

\* Is non-motorized travel impeded by this project?   
If yes, has a cross-facility, non-motorized access been included in the project?

\* Has a parallel non-motorized facility been designed to accommodate non-motorized travelers?

\* Have you reviewed local county, and regional bike plans for roadway design consistency?   
If applicable, please attach an excerpt from the bike plan in the vicinity of your project (Acceptable file formats are jpg, gif, png, pdf, doc):  Browse...

\* Is project consistent with MTC's RTP, other regional, local plans and programs (e.g. most recently adopted Short Range Transit Plan)?   
SRTP Reference: FY Adopted:  SRTP Page:   
RTP Reference: FY Adopted:  RTP Page:  RTP Reference Number:   
List other applicable plans:

\* Is project supported by an adequate financial plan with all sources of funding identified and has

Done



## STEP 7: Sponsor Information

WebFMS - Universal Application - Mozilla

File Edit View Go Bookmarks Tools Window Help

Back Forward Reload Stop <http://apps06.mtc.ca.gov/webfms/ua/uaprojectsponsor?dest=uaprojectsponsorform> Search Print

Home Bookmarks People Yellow Pages

**WebFMS - Universal Application** Welcome, Applicant.  
You are signed into the WebFMS Secured Portal.

Step 1 General Information	Step 2 Description	Step 3 Location	Step 4 Funding	Step 5 Delivery Milestones	Step 6 Screening Criteria	Step 7 Sponsor Information	Final Step Review
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Project Sponsor - Step 7 [Glossary](#) [Application Assistant](#) [Contact Us](#)

**Sponsor** ☐ Use User Profile Data

\*Agency Name:

\*First Name:

Middle Initial:

\*Last Name:

\*Title:

\*Address Line 1:

Address Line 2:

\*City:

\*State: CA

\*Zip Code:

\*Telephone:

Fax:

\*E-mail:

**Implementing Agency** ☐ Same as Sponsor

\*Agency Name:

\*First Name:

Middle Initial:

\*Last Name:

\*Title:

\*Address Line 1:

Address Line 2:

\*City:

\*State: CA

\*Zip Code:

\*Telephone:

Fax:

\*E-mail:

\* These fields must be inputted before the application can be submitted.

[Previous](#) [Next](#) [Save](#) [Submit](#) [Cancel](#)

javascript:Validate(document.forms[0],false,false,"")

Appendix D: Sample Resolution of Local Support  
STP, CMAQ, and TEA Second Cycle Project Application

Resolution No. \_\_\_\_\_

**AUTHORIZING THE FILING OF AN APPLICATION FOR FEDERAL SURFACE  
TRANSPORTATION PROGRAM AND CONGESTION MITIGATION AND AIR  
QUALITY IMPROVEMENT PROGRAM FUNDING FOR (project name) AND  
COMMITTING THE NECESSARY LOCAL MATCH FOR THE PROJECT(S) AND  
STATING THE ASSURANCE OF (name of jurisdiction) TO COMPLETE THE  
PROJECT**

**WHEREAS**, the Transportation Equity Act for the 21<sup>st</sup> Century (TEA 21) (Public Law 105-178, June 9, 1998) and the TEA 21 Restoration Act (Public Law 105-206, July 22, 1998) continue the Surface Transportation Program (23 U.S.C. § 133 and the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149); and

**WHEREAS**, pursuant to TEA 21, and the regulations promulgated thereunder, eligible project sponsors wishing to receive Surface Transportation Program or Congestion Mitigation and Air Quality Improvement Program grants for a project shall submit an application first with the appropriate metropolitan transportation planning organization (MPO), for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

**WHEREAS**, the Metropolitan Transportation Commission is the MPO for the San Francisco Bay region; and

**WHEREAS**, (applicant) is an eligible project sponsor for Surface Transportation Program or Congestion Mitigation and Air Quality Improvement Program funds; and

**WHEREAS**, (applicant) wishes to submit a grant application to MTC for funds from the Surface Transportation Program or Congestion Mitigation and Air Quality Improvement Program in Second Cycle for the following project:

(project description) .

**WHEREAS**, MTC requires, as part of the application, a resolution stating the following:

- 1) the commitment of necessary local matching funds of at least 11.47%; and
- 2) that the sponsor understands that the Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with Surface

Transportation Program or Congestion Mitigation and Air Quality Improvement Program funds; and

- 3) the assurance of the sponsor to complete the project as described in the application, and if approved, as programmed in MTC's TIP; and
- 4) that the sponsor understands that funds must be obligated by September 30 of the year that the project is programmed for in the TIP, or the project may be removed from the program.

***Resolved, that (agency name) is an eligible sponsor of projects in the STP, CMAQ, and TE Program; and be it further***

***Resolved, that (agency name) is authorized to submit an application for STP, CMAQ, and TE funds for (project name); and be it further***

***Resolved, that there is no legal impediment to (agency name) making applications for STP, CMAQ, and TE funds; and be it further***

***Resolved, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and be it further***

**NOW, THEREFORE, BE IT RESOLVED** by (governing board name) that (applicant) is authorized to execute and file an application for funding under the Surface Transportation Program or the Congestion Mitigation and Air Quality Improvement Program of TEA-21 Reauthorization in the amount of (\$ STP/CMAQ request) for (project description) ; and

**BE IT FURTHER RESOLVED** that (governing board) by adopting this resolution does hereby state that:

- 1) (applicant) will provide (\$ match amount) in local matching funds; and
- 2) (applicant) understands that the Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program funding for the project is fixed at ( \$ STP/CMAQ amount), and that any cost increases must be funded by the (applicant) from local matching funds, and that (applicant) does not expect any cost increases to be funded with Surface Transportation Program or Congestion Mitigation and Air Quality Improvement Program funds; and
- 3) (project name) will be built as described in this resolution and, if approved, for the amount shown in the Metropolitan Transportation Commission (MTC) Transportation Improvement Program (TIP) with obligation occurring within the timeframe established below; and

- 4) The program funds are expected to be obligated by September 30 of the year the project is programmed for in the TIP.

**BE IT FURTHER RESOLVED** that a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and

**BE IT FURTHER RESOLVED** that the MTC is requested to support the application for the project described in the resolution and to program the project, if approved, in MTC's TIP.

## Appendix E: Sample Opinion of Legal Counsel STP, CMAQ, and TE Second Cycle Project Application

Project sponsors have the option of including specified terms and conditions within the Resolution of Local Support as included in Appendix D. If a project sponsor elects not to include the specified language within the Resolution of Local Support, then the sponsor shall provide MTC with a current Opinion of Counsel stating that the agency is an eligible sponsor of projects for the STP, CMAQ, and TE Program; that the agency is authorized to perform the project for which funds are requested; that there is no legal impediment to the agency applying for the funds; and that there is no pending or anticipated litigation which might adversely affect the project or the ability of the agency to carry out the project. A sample format is provided below.

(Date)

To: Metropolitan Transportation Commission  
Fr: (Applicant)  
Re: Eligibility for STP, CMAQ, and TE Program

This communication will serve as the requisite opinion of counsel in connection with the application of (Applicant) \_\_\_\_\_ for funding from the STP, CMAQ, and TEA First Cycle Program made available pursuant to the Reauthorization of TEA 21 Legislation.

1. (Applicant) \_\_\_\_\_ is an eligible sponsor of projects for the STP, CMAQ, and TE Program.
2. (Applicant) \_\_\_\_\_ is authorized to submit an application for STP, CMAQ, and TE Program funding for (project) \_\_\_\_\_.
3. I have reviewed the pertinent state laws and I am of the opinion that there is no legal impediment to (Applicant) \_\_\_\_\_ making applications for STP, CMAQ, and TE Program funds. Furthermore, as a result of my examinations, I find that there is no pending or threatened litigation which might in any way adversely affect the proposed projects, or the ability of (Applicant) \_\_\_\_\_ to carry out such projects.

Sincerely,

\_\_\_\_\_  
Legal Counsel

\_\_\_\_\_  
Print name

## Appendix F: Optional Language to add to the Resolution for Local Support

Project sponsors have the option of consolidating the ‘Opinion of Legal Counsel’ within the Resolution of Local Support, by incorporating the following statements into the Resolution of Local Support:

***Resolved, that (agency name) is an eligible sponsor of projects in the STP, CMAQ, and TE Program; and be it further***

***Resolved, that (agency name) is authorized to submit an application for STP, CMAQ, and TE Program for (project name); and be it further***

***Resolved, that there is no legal impediment to (agency name) making applications for STP, CMAQ, and TE funds; and be it further***

***Resolved, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of (agency name) to deliver such project; and be it further***

If the above language is not provided within the Resolution of Local Support, an Opinion of Legal Counsel is required as provided in (Appendix E).

## Appendix G: Regional Project Delivery Policy

**Metropolitan Transportation Commission  
Regional Project Delivery Policy  
for TEA-21 Reauthorization - STP and CMAQ Funding  
MTC Resolution No. 3606**

## **General Policy**

The region has established deadlines for funding in the Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) Program to ensure timely project delivery against state and federal funding deadlines. This resolution establishes a standard policy for enforcing project funding deadlines and project substitutions for these funds during the Transportation Equity Act for the Twenty-First Century (TEA-21) Reauthorization.

The regional STP and CMAQ programs are project specific. Projects are chosen for the program based on eligibility, project merit, and deliverability within the established deadlines. The programmed STP and CMAQ funds are for those projects alone.

It is the responsibility of the implementing agency at the time of programming, to ensure the regional deadlines and provisions of the regional project delivery policy can be met.

MTC staff will actively monitor and report the obligation status of projects to the Finance Working Group (FWG) of the Bay Area Partnership. The FWG will monitor project delivery issues as they arise and make recommendations to the Partnership Technical Advisory Committee (PTAC) as necessary.

The implementing agency or MTC may determine that circumstances may justify changes to the STP and CMAQ programming. These changes, or amendments to these regional programs, are not routine. All proposed changes will be reviewed by MTC staff before any formal actions on program amendments are considered by the Commission. All changes must follow MTC policies on the Public Involvement Process and Federal Air Quality Procedures and Conformity Protocol. Changes must be consistent with the Regional Transportation Plan (RTP), must not adversely affect the expeditious implementation of Transportation Control Measures (TCMs), must not negatively impact the deliverability of other projects in the regional programs, and must not affect the conformity finding in the Transportation Improvement Program (TIP).

In selecting projects to receive redirected funding, the Commission may use existing lists of projects that did not receive funding in past programming exercises, or direct the funds to agencies with proven on-time project delivery, or could identify other projects with merit to receive the funding, or retain the funding for future programming cycles. Final decisions regarding the reprogramming of available funds will be made by the Commission.



## **Project Cost Savings/Reductions in Scope/Project Failures**

From time to time projects may be completed at a lower cost than anticipated, or have a minor reduction in scope resulting in a lower project cost, or may not proceed to implementation. In such circumstances, the implementing agency must notify MTC, Caltrans and the appropriate county Congestion Management Agency (CMA), within a timely manner, that the funds resulting from these ‘project savings’ will not be used.

Project savings accrued prior to the established obligation deadline are available for redirection within the program of origin. Savings within the formula-based programs, such as county guaranteed funding returned to counties based on a population share, are available for redirection by the CMAs within the formula program, subject to Commission approval.

Project savings within regional competitive programs, such as the regional Transportation for Livable Communities (TLC) program, or for regional customer service projects, such as TravInfo®, or for planning activities, such as the 3% planning funds for CMA planning activities, are available for redirection by the Commission.

For all programs, the projects using the redirected savings prior to the obligation deadline must still obligate the funds within the original deadline.

Project savings or unused funding realized after the obligation deadline return to MTC. Any funds that have been obligated but remain unused will be deobligated from the project and returned to the Commission for redirection.

## **Project Advances**

Obligations for funds advanced from future years of the TIP will be permitted only upon the availability of surplus OA and State Budget Authority (SBA) in a particular year, with current programmed projects that have met the delivery deadlines having priority for OA in a given year. Advanced obligations will be based on the availability of OA and will only be considered after April 1, and before June 30 of each fiscal year. In some years, OA may not be available for advancements until after June 30, but the request for the advanced OA must still be received by Caltrans prior to June 30.

Implementing agencies wishing to advance projects may request Advance Construction (AC) authorization from Caltrans (or pre-award authority from FTA) to proceed with the project using local funds until OA becomes available.

## **Specific Policy Provisions**

Projects selected to receive STP or CMAQ funding must have a demonstrated ability to use the funds within the established regional, state and federal deadlines. This criterion will be used for selecting projects for funding, and for placement of funding in a particular year of the TIP.

It is the responsibility of the implementing agency to ensure the funds can be used within the established regional, state and federal deadlines and that the provisions of the regional delivery policy can be met. It is also the responsibility of the implementing agency to continuously monitor the progress of the programmed funds against regional, state and federal deadlines, and to report any potential difficulties in meeting these deadlines, (or difficulties in meeting the provisions of the regional delivery policy) to MTC, Caltrans and the appropriate county CMA within a timely manner, to seek solutions to potential problems well in advance of potential delivery failure or permanent loss of funding.

Specific provisions of the Regional Project Funding-Delivery Policy are as follow:

- **Funds to be Obligated/Transferred in the Fiscal Year Programmed in the TIP**

STP and CMAQ funds are to be programmed, up to the apportionment level for that fiscal year, in the TIP within the fiscal year in which the funds are to be obligated by the Federal Highway Administration (FHWA) or transferred to the Federal Transit Administration (FTA), similar to the programming of the State Transportation Improvement Program (STIP). This will improve the overall management of federal Obligation Authority (OA) within the region and improve the likelihood that OA and State Budget Authority (SBA) will be available for projects that are programmed in a particular fiscal year.

- **Field Reviews**

Implementing agencies are required to request a field review within 6 months of MTC's approval of the project in the TIP for federal-aid projects receiving funding through the STP and CMAQ programs that are subject to AB 1012 or regional obligation deadlines. This policy also applies to federal-aid projects in the STIP. The requirement does not apply to projects for which a field review would not be applicable (such as FTA transfers, regional customer service projects and planning activities).

Failure for an implementing agency to make a good-faith effort in scheduling and/or obtaining a field review from Caltrans Local Assistance within six months of programming into the TIP could result in the funding being subject to reprogramming.

- **Complete Environmental Submittal to Caltrans 12 months prior to Obligation Deadline**

Implementing agencies are required to submit a complete environmental package to Caltrans for all projects (except those determined *Programmatic Categorical Exemption* as determined by Caltrans at the field review), twelve months prior to the obligation deadline for right of way or construction funds. This policy creates a more realistic time frame for projects to progress from the field review through the environmental and design process, to the right of way or construction phase. If the environmental process, as determined at the field review, will take longer than 12 months before obligation, the implementing agency is responsible for delivering the complete environmental submittal in a timely manner. Failure to comply with this provision could result in the funding being subject to reprogramming. The requirement does not apply to FTA transfers, regional customer service projects or planning activities.

- **Obligation/Submittal Deadlines**

Projects selected to receive STP and CMAQ funding must demonstrate the ability to obligate programmed funds by the established obligation deadline. This criterion will be used for selecting projects for funding, and for placement in a particular year of the TIP. It is the responsibility of the implementing agency to ensure the deadlines can be met.

In order to ensure funds are obligated or transferred to FTA in a timely manner, the implementing agency is required to deliver a complete funding obligation / FTA Transfer request package to Caltrans Local Assistance by April 1 of the year the funds are listed in the TIP. Projects with complete packages delivered by April 1 of the programmed year will have first priority for available OA. If the project is delivered after April 1 of the programmed year, the funds will not be the highest priority for obligation in the event of Obligation Authority (OA) limitations, and will compete with projects advanced from future years for limited OA. Fund obligation/FTA transfer requests submitted after the April 1 deadline will be viewed as subject to reprogramming.

Within the formula-based programs, such as county guaranteed funding returned to counties based on a population share the Congestion Management Agencies (CMAs) may adjust programming up until April 1 of the programmed year, swapping funds to a ready project in order to utilize all of the programming capacity, subject to available OA. The substituted project(s) must still obligate the funds within the original funding deadline.

For funding programmed through regional competitive programs, such as the regional Transportation for Livable Communities (TLC) program, or for regional customer service projects, such as TravInfo®, or for planning activities, such as the CMA planning activities, the Commission has discretion to redirect funds from delayed or failed projects.

*Appendix G: Regional Project Delivery Policy*  
*MTC Resolution No. 3606*

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STP and CMAQ funds are subject to an obligation/FTA transfer deadline of June 30<sup>th</sup> of the fiscal year the funds are programmed in the TIP. Implementing agencies are required to submit the complete request for obligation or FTA transfer to Caltrans Local Assistance by April 1 of the fiscal year programmed in the TIP, and receive an obligation/FTA transfer of the funds by June 30<sup>th</sup> of the fiscal year programmed in the TIP. For example, projects programmed in FY 2005-06 of the TIP have an obligation/FTA transfer request submittal deadline (to Caltrans) of April 1, 2006 and an obligation/FTA transfer deadline of June 30, 2006. Projects programmed in FY 2006-07 have an obligation request submittal deadline (to Caltrans) of April 1, 2007 and an obligation/FTA transfer deadline of June 30, 2007.

- **Submittal Deadline:** April 1 of the fiscal year programmed in the TIP. The Implementing Agency is required to submit a complete obligation/transfer package to Caltrans (3 months prior to the Obligation Deadline).
- **Obligation Deadline:** June 30 of the fiscal year programmed in the TIP. No extensions will be granted to the obligation deadline.

**April 1** - Regional submittal deadline. Compete package submittals received by April 1 of the fiscal year programmed in the TIP will receive first priority for obligations against available OA.

**April 2 – June 30** - Projects submitted during this timeframe are subject to deprogramming. If OA is still available, these projects may receive OA if obligated by June 30. If OA is limited, these projects would compete for OA with projects advanced from the following fiscal year on a first come-first serve basis. Projects with funds to be advanced from future years must request the advance prior to June 30, in order to receive the funds within that federal fiscal year.

**June 30** - Regional obligation deadline. Funds not obligated (or transferred to FTA) by June 30 of the fiscal year programmed in the TIP will be returned to MTC for reprogramming. No extensions of this deadline will be granted. Projects seeking advanced obligations against funds from future years, must request the advance prior to June 30, in order to receive the funds within that federal fiscal year.

The obligation deadline may not be extended. The funds must be obligated by the established deadline or they will be de-programmed from the project and redirected by the Commission to a project that can use the funds in a timely manner.

Note: Authorization of Advance Construction (AC) satisfies the regional obligation deadline requirement.

- **Encumbrance/Liquidation/Project Close-Out Deadlines**

STP and CMAQ funds must be encumbered by an approved State funding agreement within one state fiscal year after the fiscal year of obligation. Furthermore, the funds must be fully liquidated (expended, invoiced and reimbursed), within four state fiscal years after the fiscal year in which the funds were obligated, and the project must be accepted and closed out within five state fiscal years after the fiscal year in which the funds were obligated.

The following provisions are required in order to ensure no funds are lost after obligation. Failure to meet these requirements will result in the potential loss of funding for reimbursement of incurred project costs.

- Funds must be encumbered within one state fiscal year following the fiscal year in which the funds were obligated (encumbrance is approval of a funding agreement with the state). This requirement does not apply to FTA transfers.
- Construction/Equipment Purchase contract must be awarded within one state fiscal year following the fiscal year in which the construction funds were obligated (this requirement does not apply to FTA transfers).
- Funds must be liquidated (expended, invoiced and reimbursed) within four state fiscal years following the fiscal year in which the funds were obligated (this requirement does not apply to FTA transfers).
- Project must be accepted and closed out within one year of the last expenditure, or within five state fiscal years following the fiscal year in which the funds were obligated, whichever occurs first (this requirement does not apply to FTA transfers).
- For FTA projects, funds must be approved/awarded in an FTA Grant within one state fiscal year following the fiscal year in which the funds were transferred to FTA.

Funds that miss the encumbrance, liquidation/project close out deadlines are subject to de-obligation if not reappropriated by the State Legislature, or extended (for one year) in a Cooperative Work Agreement (CWA) with the California Department of Finance.

Implementing agencies with projects that require reappropriation in the State budget, or require a CWA from the California Department of Finance, or fail to meet the post-obligation provisions, or have projects that have been inactive for more than two years, regardless of federal fund source, are subject to MTC restrictions on receipt of OA for subsequent projects, and/or limitations on future programming of funds until the reappropriated/ inactive projects are cleared up and a firm commitment date is provided to Caltrans Local Assistance for meeting the next project milestone.

*Appendix G: Regional Project Delivery Policy*  
*MTC Resolution No. 3606*

MTC	State FY 1	State FY 2	State FY 3	State FY 4	State FY 5	State FY 6
Milestone Deadline	June 30	June 30	June 30	June 30	June 30	June 30

<b>Programming</b>						
<b>Obligation</b>						
<b>Encumbrance</b>						
<b>Award</b>						
<b>Liquidation</b>						
<b>Project Close-Out</b>						

- **Inactive Projects**

Most projects can be completed well within the state's seven-year deadline for project close-out. Yet it is viewed negatively by both FHWA and the California Department of Finance for projects to remain inactive for more than a few years. It is expected that funds for completed phases will be invoiced within a reasonable time of completion of work for the phase, and projects will be closed out within a reasonable time following project completion.

Implementing agencies that have projects that have not been closed out within one year of final expenditure, or have projects that remain inactive for more than two years, regardless of federal fund source, will have future OA limited for subsequent projects, and/or have restrictions on future programming. Completed phase invoicing and project close-out within a reasonable time will help ensure the implementing agency remains in good standing.

The intent of this regional delivery policy is to ensure implementing agencies do not lose any funds due to missing a federal or state funding deadline, while providing maximum flexibility in delivering transportation projects. MTC has purposefully established regional deadlines in advance of state deadlines, to provide the opportunity for implementing agencies, the CMAs, Caltrans, and MTC to solve potential problems and bring the project back on-line in advance of losing funding due to a missed state deadline.

Although the policy is limited to the regional STP and CMAQ funds managed by MTC, the state deadlines cited apply to all federal-aid funds administered by the state. Implementing agencies should pay close attention to the deadlines of other state and federal funds on their projects so as not to miss any other applicable funding deadlines.